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FEDERAL COMMUNICATIONS COMMISSION

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Pete V. Domenici
United States Senate
427 Dirksen Senate Office Building
Washington, D.C. 20510

93-253

Dear Senator Domenici:

This in reply to your letters of July 27 and August 19, 1993, that were written on behalf of your constituent, Mr. Jon D. Word. Mr. Word is concerned about the impact of recent legislation on existing paging services and the 220-220 MHz Land Mobile Service (220 MHz). Your letter was referred to me because the Office of Plans and Policy is responsible for implementing the competitive bidding provisions of the Budget Act.

On August 10, 1993, President Clinton signed the Omnibus Budget Reconciliation Act of 1993 (Budget Act). Under the Budget Act, the Commission must subject all initial mutually exclusive applications for subscriber-based radio services to a system of competitive bidding rather than lotteries. In addition, the Budget Act, signed August 10, 1993, provided the Commission with 210 days from its date of enactment, or March 8, 1994, to issue final rules concerning competitive bidding. Accordingly, the Commission recently initiated a rule making proceeding to implement the competitive bidding provisions of the Budget Act. Notice of Proposed Rule Making (Auction NPRM), PP Docket 93-253 (released October 12, 1993). The Auction NPRM proposed, among other things, to subject the Public Paging Services to competitive bidding. With respect to Private Carrier Paging, the Commission noted that such frequencies are currently assigned on a non-exclusive basis, and therefore, there can be no mutual exclusivity among Private Carrier Paging applicants. The Commission tentatively concluded in the Auction NPRM, however, that if mutually exclusive Private Carrier Paging applications occur in the future, then the Commission would use competitive bidding to select a licensee. With respect to the 220 MHz service, the Auction NPRM proposed to not subject such applications filed prior to July 26, 1993, to competitive bidding pursuant to a grandfather clause contained in the Budget Act. Therefore, 220 MHz applications filed by Mr. Word prior to July 26, 1993, would not be affected by the Budget Act. The Auction NPRM has proposed, however, to subject any future initial Commercial Nationwide 220 MHz applications to competitive bidding because such licensees would provide a subscriber-based service. The public, including your constituents, had an opportunity to participate in this proceeding during the comment period that closed November 30, 1993. I can assure you that the Commission will give full consideration to all comments filed in the competitive bidding rule making proceeding.

Sincerely,

Robert Pepper
Chief
Office of Plans and Policy

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PETE V. DOMENICI
NEW MEXICO

COMMITTEES:
BUDGET
APPROPRIATIONS
ENERGY AND NATURAL RESOURCES
BANKING
INDIAN AFFAIRS

United States Senate

WASHINGTON, D.C. 20510

August 19, 1993

*Opp
Auction*

3927

Lauren J. Belzin
Federal Communications Commission
1919 M Street, NW
Room 808
Washington, D.C. 20554

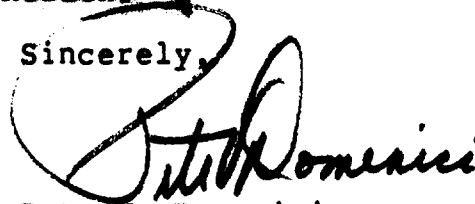
Dear Lauren:

Because of my desire to be responsive to all inquiries directed to me, and knowing that you share this desire, the attached letter is referred to you for consideration.

I would very much appreciate your evaluating the information presented and taking whatever action is required to resolve the situation. I appreciate your consideration of this request, recognizing that it will be taken within the context of your existing procedures.

At your earliest convenience, I would be grateful for your findings and views, in duplicate form. ~~Please send your response to the attention of Keith Nelson.~~

Sincerely,



Pete V. Domenici
United States Senator

PVD/kbn
Enclosure

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**Contact
New Mexico**

AM 9:00

July 21, 1993

The Honorable Pete V. Domenici
434 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Domenici:

I would like to take this opportunity to comment on the legislation that has passed both the House of Representatives and the Senate which authorizes the FCC to assign spectrum licenses by means of auctions. It is critical to our business that existing paging services not be crippled by the ill-advised requirement that licensing be halted until auctions are in place. Spectrum auctions as authorized in the Budget Reconciliation Act are intended to apply to licenses for new services, not existing services. Industry members understand that new business opportunities will be assigned by auction.

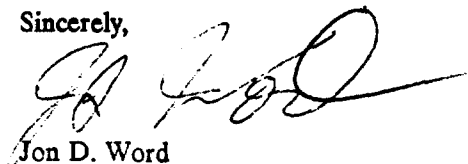
Paging carriers are constantly in the process of filing for additional licenses to expand the modify existing service. Paging systems are licenses on a transmitter by transmitter basis. New licenses are regularly required due to normal business growth and expansion and changing customer circumstances. As an example, if a hospital changes a department location a new transmitter may be required to insure reliable service in the new location. The paging operator must file for construction permits and a new license; the operator is prohibited from filing for another transmitter until the current construction is completed.

The House bill language is ambiguous and the language in the Senate bill would require a halt to paging licensing until auction procedures are in place. This constitutes a freeze on industry activity of at least 6 to 12 months and would bring this industry to a standstill. The paging customer base expanded by more than 30% last year and now serves 15.3 million people. Contact New Mexico has made a significant investment in new equipment over the past few months. A freeze on business activity would be an economic disaster.

It is critical that the final version of the legislation makes it very clear that the FCC should continue to issue construction permits and licenses to paging applicants in accordance with the procedures already established. Any modification of these procedures should occur only after conducting public notice and comment proceedings.

Your attention to this matter will be greatly appreciated.

Sincerely,



Jon D. Word

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